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SHULTZ REGRETS CASEY'S RESIGNATION, WELCOMES SUCCESSOR

WASHINGTON, Feb 2

P Secretary of State George Shultz said today he regretted that illness had obliged William Casey to quit as director of the Central Intelligence Agency (CIA).

The kind words followed public disagreement before Casey went into hospital in December for an operation to remove a cancerous brain tumor.

Shultz complained that when he checked last May with Casey on information that Washington was to send arms to Iran -- an issue that became President Reagan's worst crisis -- he was told it was not true.

Casey's denial he had said that led to a rare public rebuke from Shultz, who suggested that Casey must have forgotten what he said.

"I deeply regret that illness has forced the departure of Bill Casey from the CIA," Shultz said today in a statement read to reporters by his spokesman, Charles Redman.

"In his six years of stewardship, his contribution to strengthening the capabilities of the U.S. intelligence has significantly assisted this administration's efforts to improve our national security posture," Shultz said.

A He called Casey deputy Robert Gates, nominated to the top job by Reagan, a worthy successor.

"He is a genuine professional with a deep knowledge of all aspects of the intelligence community. I expect that under his leadership, the intelligence community will continue to make impressive contributions to our security. He will have my full cooperation," Shultz said.